

FW Objective

OnSat Payment

TW Description

Circumventing of Controls

W. P. No.

11-D-2

ACCOUNTANT

Beth

DATE

12/7/06

Purpose: To document evidence of OnSat being allowed direct contracts with the Navajo Nation approving officials.

Source:

1. Per w/p II-A-2.1 page 1, the Controller approved the receiving record to be processed for payment.
2. Per w/p II-A.3 page 18, the OnSat invoice was stamped "Rush" and noted that vendor will pick up check.
3. Per w/p II-A-5 page 12, Susan Slim (Accounts Payable Supervisor) signed off the on the OnSat invoice stamped demand check meaning the check was manually prepared (not in batch).
4. Per w/p II-A-7.1, the Controller signed off on the request for direct payment stamped "Rush" to process payment to OnSat.
5. Per documentation @left, OnSat owner personally contacted the OOC accounting staff to process his payment.
6. Based on verbal interviews with Navajo Nation employees namely:
Janice Haskie, Supervisor, Contract Administration
Isabelle Yazzie, Accounting Manager, Procurement
Lena Arviso, Accounting Manager, Contract Accounting
Susanne Slim, Supervisor, Accounts Payable
Mark Grant, Controller
Maxine Lynch, Senior Contract Analyst, OMB
Leo Morgan, Compliance Officer, Head Start

The Navajo Nation employees listed above told the auditor that OnSat owner came in person to submit his invoices. In addition, the employees were instructed by the Navajo Nation President Chief of Staff Patrick Sandoval to process OnSat invoices for payment.

Conclusion: OnSat representative was allowed to come in person and submit their invoices to the Navajo Nation approving officials and collect the checks directly.

Effect: Allowing OnSat direct contacts with the approving officials shows total disregard to establish fundamental controls in processing vendor payments.

Risk: OnSat direct contacts pressured the approving officials to simply approve the invoice without effective review to validate OnSat invoices which can lead to improper and questionable payments to OnSat.

Can you call
Jance and get
her to get the
OPVP check for
onsat sat today
so I can go home

Dave
Sue the \$9,000
Bond to be paid
by \$500 per week

110
THE NAVAJO NATION
REQUEST FOR DIRECT PAYMENT

FY'2006
October 13, 2006
(Date)

To Accounts Payable Section, FINANCIAL SERVICES DEPARTMENT

RUSH

Please issue a Voucher check(s) as described below.

1 **\$9,000.00** **ONSAT** P.O. Box 981855 Park City UT 84098
Payee Name City State Zip Code

2 This request is for payment: **Payment:** Technical Support Service **Invoice #:** 6090120 1st Qtr Payment (Oct - Dec 2006)

3 Charge account number(s): **103001-5570 5600** *of 10/13/2006* **DEMAND CHECK**

4 Process this check: ☐ Regular processing ☒ Prepaid Processing by (Time) **3:00 p.m.** (Date) **October 13, 2006**

5 Supporting documents attached: ☒ Yes; ☐ No (If no, explain why)

6 Remittance advice(s) or other document(s) marked "To be sent with check" attached ☒ Yes; ☐ No

7 Check should be: ☐ Mailed to payee; ☐ Picked up by payee; ☒ Picked up by: Authorized Personnel
(Reason)

8 Other information or comments **"CODE 4" Justification attached.**

Request by (Signed) Kirby L. Bedonie Name (Printed) Kirby L. Bedonie Title Exec. Staff Assistant Tel. (928) 871-7916

Approved by (Signed) Dr. Joe Shirley, Jr. Name (Printed) Dr. Joe Shirley, Jr. Title NN President Tel. (928) 871-7916

DO NOT WRITE BELOW THIS LINE - FOR USE BY THE FINANCIAL SERVICES DEPARTMENT ONLY

Funds available approved by [Signature] Title FINANCIAL Date 2006 OCT 13 PM 10 33

☐ Approved for payment as requested.

☐ Approved for payment with following exceptions

☐ Disapproved for payment because

By

G. JOHN

Title

RECEIVED

267549
685692
D#